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THE SOCIALIST ECONOMICS OF KARL MARX AND HIS FOLLOWERS.¹

II. THE LATER MARXISM.

MARX worked out his system of theory in the main during the third quarter of the nineteenth century. He came to the work from the standpoint given him by his early training in German thought, such as the most advanced and aggressive German thinking was thru the middle period of the century, and he added to this German standpoint the further premises given him by an exceptionally close contact with and alert observation of the English situation. The result is that he brings to his theoretical work a twofold line of premises, or rather of preconceptions. By early training he is a neo-Hegelian, and from this German source he derives his peculiar formulation of the Materialistic Theory of History. By later experience he acquired the point of view of that Liberal-Utilitarian school which dominated English thought thru the greater part of his active life. To this experience he owes (probably) the somewhat pronounced individualistic preconceptions on which the doctrines of the Full Product of Labor and the Exploitation of Labor are based. These two not altogether compatible lines of doctrine found their way together into the tenets of scientific² socialism, and give its characteristic Marxian features to the body of socialist economics.

The socialism that inspires hopes and fears to-day is of

¹ The substance of lectures before students in Harvard University in April, 1906.

² "Scientific" is here used in the half technical sense which by usage it often has in this connection, designating the theories of Marx and his followers.

the school of Marx. No one is seriously apprehensive of any other so-called socialistic movement, and no one is seriously concerned to criticise or refute the doctrines set forth by any other school of "socialists." It may be that the socialists of the Marxist observance are not always or at all points in consonance with the best accepted body of Marxist doctrine. Those who make up the body of the movement may not always be familiar with the details—perhaps not even with the general features—of the Marxian scheme of economics; but with such consistency as may fairly be looked for in any popular movement the socialists of all countries gravitate toward the theoretical position of the avowed Marxism. In proportion as the movement in any given community grows in mass, maturity, and conscious purpose, it unavoidably takes on a more consistently Marxian complexion. It is not the Marxism of Marx, but the materialism of Darwin, which the socialists of to-day have adopted. The Marxist socialists of Germany have the lead, and the socialists of other countries largely take their cue from the German leaders.

The authentic spokesmen of the current international socialism are avowed Marxists. Exceptions to that rule are very few. On the whole, the substantial truth of the Marxist doctrines is not seriously questioned within the lines of the socialists, tho there may be some appreciable divergence as to what the true Marxist position is on one point and another. Much and eager controversy circles about questions of that class.

The keepers of the socialist doctrines are passably agreed as to the main position and the general principles. Indeed, so secure is this current agreement on the general principles that a very lively controversy on matters of detail may go on without risk of disturbing the general position. This general position is avowedly Marxism.

But it is not precisely the position held by Karl Marx. It has been modernized, adapted, filled out, in response to exigencies of a later date than those which conditioned the original formulation of the theories. It is, of course, not admitted by the followers of Marx that any substantial change or departure from the original position has taken place. They are somewhat jealously orthodox, and are impatient of any suggested "improvements" on the Marxist position, as witness the heat engendered in the "revisionist" controversy of a few years back. But the jealous protests of the followers of Marx do not alter the fact that Marxism has undergone some substantial change since it left the hands of its creator. Now and then a more or less consistent disciple of Marx will avow a need of adapting the received doctrines to circumstances that have arisen later than the formulation of the doctrines; and amendments, qualifications, and extensions, with this need in view, have been offered from time to time. But more pervasive tho unavowed changes have come in the teachings of Marxism by way of interpretation and an unintended shifting of the point of view. Virtually, the whole of the younger generation of socialist writers shows such a growth. A citation of personal instances would be quite futile.

It is the testimony of his friends as well as of his writings that the theoretical position of Marx, both as regards his standpoint and as regards his main tenets, fell into a definitive shape relatively early, and that his later work was substantially a working out of what was contained in the position taken at the outset of his career.¹ By the

¹ There is, indeed, a remarkable consistency, amounting substantially to an invariability of position, in Marx's writing, from the *Communist Manifesto* to the last volume of the *Capital*. The only portion of the great *Manifesto* which became antiquated, in the apprehension of its creators, is the polemics addressed to the "Philosophical" socialists of the forties and the illustrative material taken from

latter half of the forties, if not by the middle of the forties, Marx and Engels had found the outlook on human life which came to serve as the point of departure and the guide for their subsequent development of theory. Such is the view of the matter expressed by Engels during the latter years of his life.¹ The position taken by the two great leaders, and held by them substantially intact, was a variant of neo-Hegelianism, as has been indicated in an earlier section of this paper.² But neo-Hegelianism was short-lived, particularly considered as a standpoint for scientific theory. The whole romantic school of thought, comprising neo-Hegelianism with the rest, began to go to pieces very soon after it had reached an approach to maturity, and its disintegration proceeded with exceptional speed, so that the close of the third quarter of the century saw the virtual end of it as a vital factor in the development of human knowledge. In the realm of theory, primarily of course in the material sciences, the new era belongs not to romantic philosophy, but to the evolutionists of the school of Darwin. Some few great figures, of course, stood over from the earlier days, but it turns out in the sequel that they have served mainly to mark the rate and degree in which the method of scientific knowledge has left them behind. Such were Virchow and Max Müller, and such, in economic science, were

contemporary politics. The main position and the more important articles of theory—the materialistic conception, the doctrine of class struggle, the theory of value and surplus value, of increasing distress, of the reserve army, of the capitalistic collapse—are to be found in the *Critique of Political Economy* (1859), and much of them in the *Misery of Philosophy* (1847), together with the masterful method of analysis and construction which he employed thruout his theoretical work.

¹ Cf. Engels, *Feuerbach* (English translation, Chicago, 1903), especially Part IV., and various papers published in the *Neue Zeit*; also the preface to the *Communist Manifesto* written in 1888; also the preface to volume ii. of *Capital*, where Engels argues the question of Marx's priority in connection with the leading theoretical principles of his system.

² Cf. *Feuerbach*, as above; *The Development of Socialism from Utopia to Science*, especially sections II. and III.

the great figures of the Historical School, and such, in a degree, were also Marx and Engels. The later generation of socialists, the spokesmen and adherents of Marxism during the closing quarter of the century, belong to the new generation, and see the phenomena of human life under the new light. The materialistic conception in their handling of it takes on the color of the time in which they lived, even while they retain the phraseology of the generation that went before them.¹

The difference between the romantic school of thought, to which Marx belonged, and the school of the evolutionists into whose hands the system has fallen,—or perhaps, better, is falling,—is great and pervading, tho it may not show a staring superficial difference at any one point,—at least not yet. The discrepancy between the two is likely to appear more palpable and more sweeping when the new method of knowledge has been applied with fuller realization of its reach and its requirements in that domain of knowledge that once belonged to the neo-Hegelian Marxism. The supplanting of the one by the other has been taking place slowly, gently, in large measure unavowedly, by a sort of precession of the point of view from which men size up the facts and reduce them to intelligible order.

The neo-Hegelian, romantic, Marxian standpoint was

¹ Such a socialist as Anton Menger, *e.g.*, comes into the neo-Marxian school from without, from the field of modern scientific inquiry, and shows, at least virtually, no Hegelian color, whether in the scope of his inquiry, in his method, or in the theoretical work which he puts forth. It should be added that his *Neue Staatslehre* and *Neue Sittenlehre* are the first socialistic constructive work of substantial value as a contribution to knowledge, outside of economic theory proper, that has appeared since Lassalle. The efforts of Engels (*Ursprung der Familie*) and Bebel (*Die Frau*) would scarcely be taken seriously as scientific monographs even by hot-headed socialists if it were not for the lack of anything better. Menger's work is not Marxism, whereas Engels's and Bebel's work of this class is practically without value or originality. The unfitness of the Marxian postulates and methods for the purposes of modern science shows itself in the sweeping barrenness of socialistic literature all along that line of inquiry into the evolution of institutions for the promotion of which the materialistic dialectic was invented.

wholly personal, whereas the evolutionistic—it may be called Darwinian—standpoint is wholly impersonal. The continuity sought in the facts of observation and imputed to them by the earlier school of theory was a continuity of a personal kind,—a continuity of reason and consequently of logic. The facts were construed to take such a course as could be established by an appeal to reason between intelligent and fair-minded men. They were supposed to fall into a sequence of logical consistency. The romantic (Marxian) sequence of theory is essentially an intellectual sequence, and it is therefore of a teleological character. The logical trend of it can be argued out. That is to say, it tends to a goal. It must eventuate in a consummation, a final term. On the other hand, in the Darwinian scheme of thought, the continuity sought in and imputed to the facts is a continuity of cause and effect. It is a scheme of blindly cumulative causation, in which there is no trend, no final term, no consummation. The sequence is controlled by nothing but the *vis a tergo* of brute causation, and is essentially mechanical. The neo-Hegelian (Marxian) scheme of development is drawn in the image of the struggling ambitious human spirit: that of Darwinian evolution is of the nature of a mechanical process.¹

What difference, now, does it make if the materialistic conception is translated from the romantic concepts of Marx into the mechanical concepts of Darwinism? It distorts every feature of the system in some degree, and throws a shadow of doubt on every conclusion that once

¹ This contrast holds between the original Marxism of Marx and the scope and method of modern science; but it does not, therefore, hold between the latter-day Marxists—who are largely imbued with post-Darwinian concepts—and the non-Marxian scientists. Even Engels, in his latter-day formulation of Marxism, is strongly affected with the notions of post-Darwinian science, and reads Darwinism into Hegel and Marx with a good deal of *naïveté*. (See his *Feuerbach*, especially pp. 93–98 of the English translation.) So, also, the serious but scarcely quite consistent qualifications of the materialistic conception offered by Engels in the letters printed in the *Sozialistische Akademiker*, 1895.

seemed secure.¹ The first principle of the Marxian scheme is the concept covered by the term "Materialistic," to the effect that the exigencies of the material means of life control the conduct of men in society thruout, and thereby indefeasibly guide the growth of institutions and shape every shifting trait of human culture. This control of the life of society by the material exigencies takes effect thru men's taking thought of material (economic) advantages and disadvantages, and choosing that which will yield the fuller material measure of life. When the materialistic conception passes under the Darwinian norm, of cumulative causation, it happens, first, that this initial principle itself is reduced to the rank of a habit of thought induced in the speculator who depends on its light by the circumstances of his life, in the way of hereditary bent, occupation, tradition, education, climate, food supply, and the like. But under the Darwinian norm the question of whether and how far material exigencies control human conduct and cultural growth becomes a question of the share which these material exigencies have in shaping men's habits of thought; *i.e.*, their ideals and aspirations, their sense of the true, the beautiful, and the good. Whether and how far these traits of human culture and the institutional structure built out of them are the outgrowth of material (economic) exigencies becomes a question of what kind and degree of efficiency belongs to the economic exigencies among the complex of circumstances that conduce to the formation of habits. It is no longer a question of whether material exigencies rationally should guide men's conduct, but whether, as a

¹ The fact that the theoretical structures of Marx collapse when their elements are converted into the terms of modern science should of itself be sufficient proof that those structures were not built by their maker out of such elements as modern science habitually makes use of. Marx was neither ignorant, imbecile, nor disingenuous, and his work must be construed from such a point of view and in terms of such elements as will enable his results to stand substantially sound and convincing.

matter of brute causation, they do induce such habits of thought in men as the economic interpretation presumes, and whether in the last analysis economic exigencies alone are, directly or indirectly, effective in shaping human habits of thought.

Tentatively and by way of approximation some such formulation as that outlined in the last paragraph is apparently what Bernstein and others of the "revisionists" have been seeking in certain of their speculations,¹ and, sitting austere and sufficient on a dry shoal up stream, Kautsky has uncomprehendingly been addressing them advice and admonition which they do not understand.² The more intelligent and enterprising among the idealist wing—where intellectual enterprise is not a particularly

¹ Cf. *Voraussetzungen des Sozialismus*, especially the first two (critical) chapters. Bernstein's reverent attitude toward Marx and Engels, as well as his somewhat old-fashioned conception of the scope and method of science, gives his discussion an air of much greater consonance with the orthodox Marxism than it really has. In his later expressions this consonance and conciliatory animus show up more strongly rather than otherwise. (See *Socialism and Science*, including the special preface written for the French edition.) That which was to Marx and Engels the point of departure and the guiding norm—the Hegelian dialectic—is to Bernstein a mistake from which scientific socialism must free itself. He says, e.g., (*Voraussetzungen*, end of ch. iv.), "The great things achieved by Marx and Engels they have achieved not by the help of the Hegelian dialectic, but in spite of it."

The number of the "revisionists" is very considerable, and they are plainly gaining ground as against the Marxists of the older line of orthodoxy. They are by no means agreed among themselves as to details, but they belong together by virtue of their endeavor to so construe (and amend) the Marxian system as to bring it into consonance with the current scientific point of view. One should rather say points of view, since the revisionist endeavors are not all directed to bringing the received views in under a single point of view. There are two main directions of movement among the revisionists: (a) those who, like Bernstein, Conrad Schmidt, Tugan-Baranowski, Labriola, Ferri, aim to bring Marxism abreast of the standpoint of modern science, essentially Darwinists; and (b) those who aim to return to some footing on the level of the romantic philosophy. The best type and the strongest of the latter class are the neo-Kantians, embodying that spirit of revolution to romantic norms of theory that makes up the philosophical side of the reactionary movement fostered by the discipline of German imperialism. (See K. Vorländer, *Die neukantische Bewegung im Sozialismus*.)

Except that he is not officially inscribed in the socialist calendar, Sombart might be cited as a particularly effective revisionist, so far as concerns the point of modernizing Marxism and putting the modernized materialistic conception to work.

² Cf. the files of the *Neue Zeit*, particularly during the controversy with Bernstein, and *Bernstein und das Sozialdemokratische Programm*.

obvious trait—have been struggling to speak for the view that the forces of the environment may effectually reach men's spiritual life thru other avenues than the calculus of the main chance, and so may give rise to habitual ideals and aspirations independent of, and possibly alien to, that calculus.¹

So, again, as to the doctrine of the class struggle. In the Marxian scheme of dialectical evolution the development which is in this way held to be controlled by the material exigencies must, it is held, proceed by the method of the class struggle. This class struggle is held to be inevitable, and is held inevitably to lead at each revolutionary epoch to a more efficient adjustment of human industry to human uses, because, when a large proportion of the community find themselves ill served by the current economic arrangements, they take thought, band together, and enforce a readjustment more equitable and more advantageous to them. So long as differences of economic advantage prevail, there will be a divergence of interests between those more advantageously placed and those less advantageously placed. The members of society will take sides as this line of cleavage indicated by their several economic interests may decide. Class solidarity will arise on the basis of this class interest, and a struggle between the two classes so marked off against each other will set in,—a struggle which, in the logic of the situation, can end only when the previously less fortunate class gains the ascendancy,—and so must the class struggle proceed until

¹ The "idealist" socialists are even more in evidence outside of Germany. They may fairly be said to be in the ascendant in France, and they are a very strong and free-spoken contingent of the socialist movement in America. They do not commonly speak the language either of science or of philosophy, but, so far as their contentions may be construed from the standpoint of modern science, their drift seems to be something of the kind indicated above. At the same time the spokesmen of this scattering and shifting group stand for a variety of opinions and aspirations that cannot be classified under Marxism, Darwinism, or any other system of theory. At the margin they shade off into theology and the creeds.

it shall have put an end to that diversity of economic interest on which the class struggle rests. All this is logically consistent and convincing, but it proceeds on the ground of reasoned conduct, calculus of advantage, not on the ground of cause and effect. The class struggle so conceived should always and everywhere tend unremittingly toward the socialistic consummation, and should reach that consummation in the end, whatever obstructions or diversions might retard the sequence of development along the way. Such is the notion of it embodied in the system of Marx. Such, however, is not the showing of history. Not all nations or civilizations have advanced unremittingly toward a socialistic consummation, in which all divergence of economic interest has lapsed or would lapse. Those nations and civilizations which have decayed and failed, as nearly all known nations and civilizations have done, illustrate the point that, however reasonable and logical the advance by means of the class struggle may be, it is by no means inevitable. Under the Darwinian norm it must be held that men's reasoning is largely controlled by other than logical, intellectual forces; that the conclusion reached by public or class opinion is as much, or more, a matter of sentiment than of logical inference; and that the sentiment which animates men, singly or collectively, is as much, or more, an outcome of habit and native propensity as of calculated material interest. There is, for instance, no warrant in the Darwinian scheme of things for asserting *a priori* that the class interest of the working class will bring them to take a stand against the propertied class. It may as well be that their training in subservience to their employers will bring them again to realize the equity and excellence of the established system of subjection and unequal distribution of wealth. Again, no one, for instance, can tell to-day what will be the outcome of the present situation

in Europe and America. It may be that the working classes will go forward along the line of the socialistic ideals and enforce a new deal, in which there shall be no economic class discrepancies, no international animosity, no dynastic politics. But then it may also, so far as can be foreseen, equally well happen that the working class, with the rest of the community in Germany, England, or America, will be led by the habit of loyalty and by their sportsmanlike propensities to lend themselves enthusiastically to the game of dynastic politics which alone their sportsmanlike rulers consider worth while. It is quite impossible on Darwinian ground to foretell whether the "proletariat" will go on to establish the socialistic revolution or turn aside again, and sink their force in the broad sands of patriotism. It is a question of habit and native propensity and of the range of stimuli to which the proletariat are exposed and are to be exposed, and what may be the outcome is not a matter of logical consistency, but of response to stimulus.

So, then, since Darwinian concepts have begun to dominate the thinking of the Marxists, doubts have now and again come to assert themselves both as to the inevitableness of the irrepressible class struggle and to its sole efficacy. Anything like a violent class struggle, a seizure of power by force, is more and more consistently deprecated. For resort to force, it is felt, brings in its train coercive control with all its apparatus of prerogative, mastery, and subservience.¹

So, again, the Marxian doctrine of progressive proletarian distress, the so-called *Verelendungstheorie*, which

¹ Thruout the revisionist literature in Germany there is visible a softening of the traits of the doctrine of the class struggle, and the like shows itself in the programs of the party. Outside of Germany the doctrinaire insistence on this tenet is weakening even more decidedly. The opportunist politicians, with strong aspirations, but with relatively few and ill-defined theoretical preconceptions, are gaining ground.

stands pat on the romantic ground of the original Marxism, has fallen into abeyance, if not into disrepute, since the Darwinian conceptions have come to prevail. As a matter of reasoned procedure, on the ground of enlightened material interest alone, it should be a tenable position that increasing misery, increasing in degree and in volume, should be the outcome of the present system of ownership, and should at the same time result in a well-advised and well-consolidated working-class movement that would replace the present system by a scheme more advantageous to the majority. But so soon as the question is approached on the Darwinian ground of cause and effect, and is analyzed in terms of habit and of response to stimulus, the doctrine that progressive misery must effect a socialistic revolution becomes dubious, and very shortly untenable. Experience, the experience of history, teaches that abject misery carries with it deterioration and abject subjection. The theory of progressive distress fits convincingly into the scheme of the Hegelian three-phase dialectic. It stands for the antithesis that is to be merged in the ulterior synthesis; but it has no particular force on the ground of an argument from cause to effect.¹

It fares not much better with the Marxian theory of value and its corollaries and dependent doctrines when Darwinian concepts are brought in to replace the romantic elements out of which it is built up. Its foundation is the metaphysical equality between the volume of human life force productively spent in the making of goods and the magnitude of these goods considered as human products. The question of such an equality has no meaning in terms of cause and effect, nor does it bear in any intelligible

¹ Cf. Bernstein, *Die heutige Sozialdemokratie in Theorie und Praxis*, an answer to Brunhuber, *Die heutige Sozialdemokratie*, which should be consulted in the same connection; Goldscheid, *Verelendungs- oder Meliorationstheorie*; also Sombart, *Sozialismus und soziale Bewegung*, 5th edition, pp. 86-89.

way upon the Darwinian question of the fitness of any given system of production or distribution. In any evolutionary system of economics the central question touching the efficiency and fitness of any given system of production is necessarily the question as to the excess of serviceability in the product over the cost of production.¹ It is in such an excess of serviceability over cost that the chance of survival lies for any system of production, in so far as the question of survival is a question of production, and this matter comes into the speculation of Marx only indirectly or incidentally, and leads to nothing in his argument.

And, as bearing on the Marxian doctrines of exploitation, there is on Darwinian ground no place for a natural right to the full product of labor. What can be argued in that connection on the ground of cause and effect simply is the question as to what scheme of distribution will help or hinder the survival of a given people or a given civilization.²

But these questions of abstruse theory need not be pursued, since they count, after all, but relatively little among the working tenets of the movement. Little need be done by the Marxists to work out or to adapt the Marxian system of value theory, since it has but slight

¹ Accordingly, in later Marxian handling of the questions of exploitation and accumulation, the attention is centred on the "surplus product" rather than on the "surplus value." It is also currently held that the doctrines and practical consequences which Marx derived from the theory of surplus value would remain substantially well founded, even if the theory of surplus value were given up. These secondary doctrines could be saved—at the cost of orthodoxy—by putting a theory of surplus product in the place of the theory of surplus value, as in effect is done by Bernstein (*Sozialdemokratie in Theorie und Praxis*, sec. 5. Also various of the essays included in *Zur Geschichte und Theorie des Sozialismus*).

² The "right to the full product of labor" and the Marxian theory of exploitation associated with that principle has fallen into the background, except as a campaign cry designed to stir the emotions of the working class. Even as a campaign cry it has not the prominence, nor apparently the efficacy, which it once had. The tenet is better preserved, in fact, among the "idealists," who draw for their antecedents on the French Revolution and the English philosophy of natural rights, than among the latter-day Marxists.

bearing on the main question,—the question of the trend towards socialism and of its chances of success. It is conceivable that a competent theory of value dealing with the excess of serviceability over cost, on the one hand, and with the discrepancy between price and serviceability, on the other hand, would have a substantial bearing upon the advisability of the present as against the socialistic régime, and would go far to clear up the notions of both socialists and conservatives as to the nature of the points in dispute between them. But the socialists have not moved in the direction of this problem, and they have the excuse that their critics have suggested neither a question nor a solution to a question along any such line. None of the value theorists have so far offered anything that could be called good, bad, or indifferent in this connection, and the socialists are as innocent as the rest. Economics, indeed, has not at this point yet begun to take on a modern tone, unless the current neglect of value theory by the socialists be taken as a negative symptom of advance, indicating that they at least recognize the futility of the received problems and solutions, even if they are not ready to make a positive move.

The shifting of the current point of view, from romantic philosophy to matter-of-fact, has affected the attitude of the Marxists towards the several articles of theory more than it has induced an avowed alteration or a substitution of new elements of theory for the old. It is always possible to make one's peace with a new standpoint by new interpretations and a shrewd use of figures of speech, so far as the theoretical formulation is concerned, and something of this kind has taken place in the case of Marxism; but when, as in the case of Marxism, the formulations of theory are drafted into practical use, substantial changes of appreciable magnitude are apt to show themselves in

a changed attitude towards practical questions. The Marxists have had to face certain practical problems, especially problems of party tactics, and the substantial changes wrought in their theoretical outlook have come into evidence here. The real gravity of the changes that have overtaken Marxism would scarcely be seen by a scrutiny of the formal professions of the Marxists alone. But the exigencies of a changing situation have provoked readjustments of the received doctrinal position, and the shifting of the philosophical standpoint and postulates has come into evidence as marking the limits of change in their professions which the socialistic doctrinaires could allow themselves.

The changes comprised in the cultural movement that lies between the middle and the close of the nineteenth century are great and grave, at least as seen from so near a standpoint as the present day, and it is safe to say that, in whatever historical perspective they may be seen, they must, in some respects, always assert themselves as unprecedented. So far as concerns the present topic, there are three main lines of change that have converged upon the Marxist system of doctrines, and have led to its latter-day modification and growth. One of these—the change in the postulates of knowledge, in the metaphysical foundations of theory—has been spoken of already, and its bearing on the growth of socialist theory has been indicated in certain of its general features. But, among the circumstances that have conditioned the growth of the system, the most obvious is the fact that since Marx's time his doctrines have come to serve as the platform of a political movement, and so have been exposed to the stress of practical party politics dealing with a new and changing situation. At the same time the industrial (economic) situation to which the doctrines are held to apply—of which they are the theoretical formulation—has also in important respects

changed its character from what it was when Marx first formulated his views. These several lines of cultural change affecting the growth of Marxism cannot be held apart in so distinct a manner as to appraise the work of each separately. They belong inextricably together, as do the effects wrought by them in the system.

In practical politics the Social Democrats have had to make up their account with the labor movement, the agricultural population, and the imperialistic policy. On each of these heads the preconceived program of Marxism has come in conflict with the run of events, and on each head it has been necessary to deal shrewdly and adapt the principles to the facts of the time. The adaptation to circumstances has not been altogether of the nature of compromise, altho here and there the spirit of compromise and conciliation is visible enough. A conciliatory party policy may, of course, impose an adaptation of form and color upon the party principles, without thereby seriously affecting the substance of the principles themselves; but the need of a conciliatory policy may, even more, provoke a substantial change of attitude toward practical questions in a case where a shifting of the theoretical point of view makes room for a substantial change.

Apart from all merely tactical expedients, the experience of the past thirty years has led the German Marxists to see the facts of the labor situation in a new light, and has induced them to attach an altered meaning to the accepted formulations of doctrine. The facts have not freely lent themselves to the scheme of the Marxist system, but the scheme has taken on such a new meaning as would be consistent with the facts. The untroubled Marxian economics, such as it finds expression in the *Kapital* and earlier documents of the theory, has no place and no use for a trade-union movement, or, indeed, for any similar non-political organization among the working class, and

the attitude of the Social-Democratic leaders of opinion in the early days of the party's history was accordingly hostile to any such movement,¹—as much so, indeed, as the loyal adherents of the classical political economy. That was before the modern industrial era had got under way in Germany, and therefore before the German socialistic doctrinaires had learned by experience what the development of industry was to bring with it. It was also before the modern scientific postulates had begun to disintegrate the neo-Hegelian preconceptions as to the logical sequence in the development of institutions.

In Germany, as elsewhere, the growth of the capitalistic system presently brought on trade-unionism; that is to say, it brought on an organized attempt on the part of the workmen to deal with the questions of capitalistic production and distribution by business methods, to settle the problems of working-class employment and livelihood by a system of non-political, businesslike bargains. But the great point of all socialist aspiration and endeavor is the abolition of all business and all bargaining, and, accordingly, the Social Democrats were heartily out of sympathy with the unions and their endeavors to make business terms with the capitalist system, and make life tolerable for the workmen under that system. But the union movement grew to be so serious a feature of the situation that the socialists found themselves obliged to deal with unions, since they could not deal with the

¹ It is, of course, well known that even in the transactions and pronouncements of the International a good word is repeatedly said for the trade-unions and both the Gotha and the Erfurt programs speak in favor of labor organizations, and put forth demands designed to further the trade-union endeavors. But it is equally well known that these expressions were in good part perfunctory, and that the substantial motive behind them was the politic wish of the socialists to conciliate the unionists, and make use of the unions for the propaganda. The early expressions of sympathy with the unionist cause were made for an ulterior purpose. Later on, in the nineties, there comes a change in the attitude of the socialist leaders toward the unions.

workmen over the heads of the unions. The Social Democrats, and therefore the Marxian theorists, had to deal with a situation which included the union movement, and this movement was bent on improving the workman's conditions of life from day to day. Therefore it was necessary to figure out how the union movement could and must further the socialistic advance; to work into the body of doctrines a theory of how the unions belong in the course of economic development that leads up to socialism, and to reconcile the unionist efforts at improvement with the ends of Social Democracy. Not only were the unions seeking improvement by unsocialistic methods, but the level of comfort among the working classes was in some respects advancing, apparently as a result of these union efforts. Both the huckstering animus of the workmen in their unionist policy and the possible amelioration of working-class conditions had to be incorporated into the socialistic platform and into the Marxist theory of economic development. The Marxist theory of progressive misery and degradation has, accordingly, fallen into the background, and a large proportion of the Marxists have already come to see the whole question of working-class deterioration in some such apologetic light as is shed upon it by Goldscheid in his *Verelendungs-oder Meliorationstheorie*. It is now not an unusual thing for orthodox Marxists to hold that the improvement of the conditions of the working classes is a necessary condition to the advance of the socialistic cause, and that the unionist efforts at amelioration must be furthered as a means toward the socialistic consummation. It is recognized that the socialistic revolution must be carried through not by an anæmic working class under the pressure of abject privation, but by a body of full-blooded workingmen gradually gaining strength from improved conditions of life. Instead of the revolution being worked out by the leverage of des-

perate misery, every improvement in working-class conditions is to be counted as a gain for the revolutionary forces. This is a good Darwinism, but it does not belong in the neo-Hegelian Marxism.

Perhaps the sorest experience of the Marxist doctrinaires has been with the agricultural population. Notoriously, the people of the open country have not taken kindly to socialism. No propaganda and no changes in the economic situation have won the sympathy of the peasant farmers for the socialistic revolution. Notoriously, too, the large-scale industry has not invaded the agricultural field, or expropriated the small proprietors, in anything like the degree expected by the Marxist doctrinaires of a generation ago. It is contained in the theoretical system of Marx that, as modern industrial and business methods gain ground, the small proprietor farmers will be reduced to the ranks of the wage-proletariat, and that, as this process of conversion goes on, in the course of time the class interest of the agricultural population will throw them into the movement side by side with the other wage-workmen.¹ But at this point the facts have hitherto not come out in consonance with the Marxist theory. And the efforts of the Social Democrats to convert the peasant population to socialism have been practically unrewarded. So it has come about that the political leaders and the keepers of the doctrines have, tardily and reluctantly, come to see the facts of the agrarian situation in a new light, and to give a new phrasing to the articles of Marxian theory that touch on the fortunes of the peasant farmer. It is no longer held that either the small properties of the peasant farmer must be absorbed into larger properties, and then taken over by the State, or that they must be taken over by the State directly, when the socialistic revolution is established. On the contrary, it is now coming

¹ Cf. *Capital*, vol. i., ch. xiii., sect. 10.

to be held that the peasant proprietors will not be disturbed in their holdings by the great change. The great change is to deal with capitalistic enterprise, and the peasant farming is not properly "capitalistic." It is a system of production in which the producer normally gets only the product of his own labor. Indeed, under the current régime of markets and credit relations, the small agricultural producer, it is held, gets less than the product of his own labor, since the capitalistic business enterprises with which he has to deal are always able to take advantage of him. So it has become part of the overt doctrine of socialists that as regards the peasant farmer it will be the consistent aim of the movement to secure him in the untroubled enjoyment of his holding, and free him from the vexatious exactions of his creditors and the ruinous business traffic in which he is now perforce involved. According to the revised code, made possible by recourse to Darwinian concepts of evolution instead of the Hegelian three-phase dialectic, therefore, and contrary to the earlier prognostications of Marx, it is no longer held that agricultural industry must go thru the capitalistic mill, and it is hoped that under the revised code it may be possible to enlist the interest and sympathy of this obstinately conservative element for the revolutionary cause. The change in the official socialist position on the agricultural question has come about only lately, and is scarcely yet complete, and there is no knowing what degree of success it may meet with either as a matter of party tactics or as a feature of the socialistic theory of economic development. All discussions of party policy, and of theory so far as bears on policy, take up the question; and nearly all authoritative spokesmen of socialism have modified their views in the course of time on this point.

The socialism of Karl Marx is characteristically inclined

to peaceable measures and disinclined to a coercive government and belligerent politics. It is, or at least it was, strongly averse to international jealousy and patriotic animosity, and has taken a stand against armaments, wars, and dynastic aggrandizement. At the time of the French-Prussian war the official organization of Marxism, the International, went so far in its advocacy of peace as to urge the soldiery on both sides to refuse to fight. After the campaign had warmed the blood of the two nations, this advocacy of peace made the International odious in the eyes of both French and Germans. War begets patriotism, and the socialists fell under the reproach of not being sufficiently patriotic. After the conclusion of the war the Socialistic Workingmen's Party of Germany sinned against the German patriotic sentiment in a similar way and with similarly grave results. Since the foundation of the empire and of the Social-Democratic party, the socialists and their doctrines have passed thru a further experience of a similar kind, but on a larger scale and more protracted. The government has gradually strengthened its autocratic position at home, increased its warlike equipment, and enlarged its pretensions in international politics, until what would have seemed absurdly impossible a generation ago is now submitted to by the German people, not only with a good grace, but with enthusiasm. During all this time that part of the population that has adhered to the socialist ideals has also grown gradually more patriotic and more loyal, and the leaders and keepers of socialist opinion have shared in the growth of chauvinism with the rest of the German people. But at no time have the socialists been able to keep abreast of the general upward movement in this respect. They have not attained the pitch of reckless loyalty that animates the conservative German patriots, although it is probably safe to say that the Social Democrats of to-day are as

good and headlong patriots as the conservative Germans were a generation ago. During all this period of the new era of German political life the socialists have been freely accused of disloyalty to the national ambition, of placing their international aspirations above the ambition of imperial aggrandizement.

The socialist spokesmen have been continually on the defensive. They set out with a round opposition to any considerable military establishment, and have more and more apologetically continued to oppose any "undue" extension of the warlike establishments and the warlike policy. But with the passage of time and the habituation to warlike politics and military discipline, the infection of jingoism has gradually permeated the body of Social Democrats, until they have now reached such a pitch of enthusiastic loyalty as they would not patiently hear a truthful characterization of. The spokesmen now are concerned to show that, while they still stand for international socialism, consonant with their ancient position, they stand for national aggrandizement first and for international comity second. The relative importance of the national and the international ideals in German socialist professions has been reversed since the seventies.¹ The leaders are busy with interpretation of their earlier formulations. They have come to excite themselves over nebulous distinctions between patriotism and jingoism. The Social Democrats have come to be German patriots first and socialists second, which comes to saying that they are a political party working for the maintenance of the existing order, with modifications. They are no longer a party of revolution, but of reform, tho the measure of reform which they demand greatly exceeds the Hohenzollern limit of tolerance. They are now as much, if not

¹ Cf. Kautsky, *Erfurter Programm*, ch. v., sect. 13; Bernstein, *Voraussetzungen*, ch. iv., sect. e.

more, in touch with the ideas of English liberalism than with those of revolutionary Marxism.

The material and tactical exigencies that have grown out of changes in the industrial system and in the political situation, then, have brought on far-reaching changes of adaptation in the position of the socialists. The change may not be extremely large at any one point, so far as regards the specific articles of the program, but, taken as a whole, the resulting modification of the socialistic position is a very substantial one. The process of change is, of course, not yet completed,—whether or not it ever will be,—but it is already evident that what is taking place is not so much a change in amount or degree of conviction on certain given points as a change in kind,—a change in the current socialistic habit of mind.

The factional discrepancies of theory that have occupied the socialists of Germany for some years past are evidence that the conclusion, even a provisional conclusion, of the shifting of their standpoint has not been reached. It is even hazardous to guess which way the drift is setting. It is only evident that the past standpoint, the standpoint of neo-Hegelian Marxism, cannot be regained,—it is a forgotten standpoint. For the immediate present the drift of sentiment, at least among the educated, seems to set toward a position resembling that of the National Socials and the Rev. Mr. Naumann; that is to say, imperialistic liberalism. Should the conditions, political, social, and economic, which to-day are chiefly effective in shaping the habits of thought among the German people, continue substantially unchanged and continue to be the chief determining causes, it need surprise no one to find German socialism gradually changing into a somewhat characterless imperialistic democracy. The imperial policy seems in a fair way to get the better of revolutionary socialism, not by repressing it, but by force of the discipline

in imperialistic ways of thinking to which it subjects all classes of the population. How far a similar process of sterilization is under way, or is likely to overtake the socialist movement in other countries, is an obscure question to which the German object-lesson affords no certain answer.

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